The Commonwealth of Massachusetts

IN THE YEAR TWO THOUSAND AND THIRTEEN

AN ACT

FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR LOW AND MODERATE INCOME RESIDENTS.

Whereas, the deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the financing of the production and preservation of housing for low and moderate income citizens of the commonwealth and to make related changes in certain laws, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. To provide for a capital outlay program to rehabilitate, produce and modernize state-owned public housing developments; to preserve the affordability and the income mix of state-assisted multifamily developments; to support home ownership and rental housing opportunities for low and moderate income citizens; to stem urban blight through the implementation of housing stabilization programs; to support housing production for the elderly, disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate income citizens and people with disabilities; and to promote economic reinvestment through the funding of infrastructure improvements, the sums set forth in section 2, for the several purposes and subject to the conditions specified in this act, are hereby made available subject to the laws regulating the disbursement of public funds, which sums shall be in addition to any other amounts previously appropriated for these purposes; provided, that the amounts specified in an item or for a particular project may be adjusted in order to facilitate projects authorized in this act.

NOTE. — Use ONE side of paper ONLY. DOUBLE SPACE. Insert additional leaves, if necessary.

SECTION 2.

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Department of Housing and Community Development

7004-0039 For state financial assistance in the form of loans for the development of community-based supportive housing for individuals with mental illness and individuals with intellectual disabilities ; provided, that the loan program shall be administered by the department of housing and community development, in this item called the department, through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that those agencies may develop or finance community-based housing, or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for the subcontracts shall be given to nonprofit organizations; provided further, that the department shall consider a balanced geographic plan for such community-based housing when issuing the loans; provided further, that the department shall consider development of a balanced range of housing models by prioritizing funds for integrated housing as defined by the appropriate housing and service agencies including, but not limited to, the department of housing and community development, the Massachusetts rehabilitation commission, the department of mental health and the department of developmental services, in consultation with relevant and interested clients, their families, advocates and other parties as necessary; provided further, that loans

issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be issued only when a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; (3) only be issued when a contract or agreement for the use of the property for the purposes of such housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the departments, running with the land, that the land be used to provide community-based housing for eligible individuals as determined by the department of mental health and the department of developmental services; provided, that the property shall not be released from such restriction until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority; provided further, that if on the date the loans become due and payable to the commonwealth an outstanding balance exists, and if, on such date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing and that there is continued funding available for the provision of services to such development, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not to exceed 10 years, as the department shall determine; provided, however, that the project shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the department; and provided further, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that

project, the department may waive the terms of repayment which would cause the project to become ineligible; and (5) have interest rates fixed at a rate, to be determined by the department, in consultation with the state treasurer; provided further, that the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with a facilities consolidation plan prepared by the secretary of health and human services, reviewed and approved by the department and filed with the secretary of administration and finance, the house and senate committees on ways and means, and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary for administration and finance; provided further, that the department, the department of mental health and the Community Economic Development Assistance Corporation may identify appropriate financing mechanisms and guidelines for grants or loans from this item to promote private development to produce housing, to provide for independent integrated living opportunities, to write down building and operating costs and to serve households at or below 15 per cent of area median income for the benefit of department of mental health clients; provided further, that not more than $10,000,000 may be expended from this item for a pilot program of community-based housing loans to serve mentally ill homeless individuals in the current or former care of the department of mental health; provided further, that in implementing the pilot program, the department shall consider a balanced geographic plan when establishing community-based residences; provided further, that the housing services made available pursuant to these loans shall not be construed as a right or an entitlement for any individual or class of persons to the benefits of the pilot program; provided further, that eligibility for the pilot program shall be established by regulations adopted by the department; provided further, that the department shall adopt regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the facilities consolidation plan prepared by the secretary of health and human services, and after

consultation with the secretary and the commissioner of capital asset management and maintenance.....$15,000,000

7004-0040 For state financial assistance in the form of loans for the development and redevelopment of community-based housing for persons with disabilities who are institutionalized or at risk of being institutionalized, who are not eligible for housing developed pursuant to item 7004-0029 and 7004-0039; provided, that the loan program shall be administered by the department of housing and community development, hereinafter referred to in this item as the department, through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or finance the community-based housing, or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for such subcontracts shall be given to nonprofit organizations; provided further, that the department shall consider a balanced geographic plan for such community-based housing when issuing the loans; provided further, that all housing developed with these funds shall be integrated housing as defined by the appropriate state housing and service agencies including, but not limited to, the executive office of health and human services and the Massachusetts rehabilitation commission in consultation with relevant and interested clients, their families, advocates, and other parties as necessary; provided further, that loans issued pursuant to this item shall: (1) not exceed 50 per cent of the financing of the total development costs; (2) be

issued only when a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property in an amount equal to the commonwealth's proportional contribution from community based housing to the cost of the development through payments made by the state agency making the contract; (3) only be issued when a contract or agreement for the use of the property for the purposes of such community-based housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the departments, running with the land, that the land be used to provide community-based housing for eligible individuals as determined by the Massachusetts rehabilitation commission or other agency of the executive office of health and human services; provided further, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (4) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority; provided further, that if on the date the loans become due and payable to the commonwealth an outstanding balance exists, and if on that date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not exceed 10 years, as the department shall determine; provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the department; and provided further, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, that commissioner may waive the terms of repayment which would cause the project to become ineligible; and (5) have

interest rates fixed at a rate, to be determined by the department, in consultation with the state treasurer; provided further, the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with an enhancing community-based services plan prepared by the secretary of health and human services, in consultation with the department and filed with the secretary for administration and finance and the house and senate committees on ways and means and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary for administration and finance; provided further, that the department shall promulgate regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the enhancing community-based services plan prepared by the secretary of health and human services after consultation with the secretary and the commissioner of capital asset management and maintenance.....$17,000,000

7004-0041 For the capitalization of the Affordable Housing Trust Fund, established in section 2 of chapter 121D of the General Laws.....$76,000,000

7004-0042 For the purpose of state financial assistance in the form of grants or loans for the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of the General Laws and awarded only pursuant to the criteria established therein; provided, that not less than 25 per cent shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development;

provided further, that if the department of housing and community development has not been able to meet the spending authorized under the bond cap for this program, at the end of each year following the effective date of this act, the department may award the remaining funds to projects that serve households earning more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; and provided further, that not less than $10,000,000 shall be expended to stabilize and promote reinvestment, through homeownership, in areas the department has determined to be weak markets as indicated by a high concentration of assisted rental housing or a low rate of homeownership or low median family income or low average sales prices or high levels of unpaid property taxes or vacant or abandoned buildings and, after making the finding, the department may waive the requirements of this section and said chapter 121F which are found to be inconsistent with promoting homeownership in weak markets and take other steps necessary to promote homeownership in the weak market including, but not limited to, reducing the length of required affordability to not less than 10 years and permitting the funded property to be purchased by a household whose income at the time of purchase does not exceed 135 per cent of the area median income, adjusted for family size, or both; provided however, that the purchaser shall own and occupy the property as his primary residence.....$37,000,000

7004-0043 For the purpose of state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that contracts entered into by the department of housing and community development for those projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations

necessary for compliance with the Americans with Disabilities Act, the provision of day care facilities, learning centers and teen service centers and the adaptation of units for families and persons with disabilities; provided further, that priority shall be given to projects undertaken for the purpose of compliance with state codes and laws or for other purposes related to the health and safety of residents; provided further, that funds may be expended from this item to make such modifications to congregate housing units as may be necessary to increase the occupancy rate of those units; provided further, that the department shall continue to fund a program to provide predictable funds to be used flexibly by housing authorities for capital improvements to extend the useful life of state-assisted public housing; provided further, that not less than 25 per cent shall be used to fund projects which preserve or produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development.....$396,000,000

7004-0046 For the purpose of state financial assistance in the form of grants or loans for the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General Laws; provided, however, that not less than 25 per cent shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development.....$26,000,000

SECTION 3. Section 3 of chapter 121D of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding the following subsection: -

(e) Funds provided for the fund may be used to write down interest rates and related costs for a program for low- and moderate-income first-time homebuyers administered by the Massachusetts Housing Partnership Fund Board.

SECTION 4. Section 1 of chapter 121E of the General Laws, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words "housing for the homeless; battered women's shelters and inserting in place thereof the following words:- or permanent housing for the homeless; shelters for victims of domestic abuse.

SECTION 5. Subsection (b) of section 3 of said chapter 121E, as so appearing, is hereby amended by striking out clause (2).

SECTION 6. Said section 3 of said chapter 121E, as so appearing, is hereby further amended by striking out the words "unless, at the end of a fiscal year, cash collections from all sources in connection with the housing, except for contributions, donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the housing, including debt service, operating expenses, operating reserves and capital reserves; provided further, that any excess cash shall be paid to the commonwealth within 45 days after the end of the fiscal year, payable first to interest due under this section and then to principal advanced pursuant to the loan", in lines 42 to 49, inclusive.

SECTION 7. Said subsection (b) of section 3 of said chapter 121E, as so appearing, is hereby further amended by striking out the words "; and (7) for projects developed pursuant to this chapter not refinanced during the term of a loan issued pursuant to this chapter unless the balance of the principal and interest for the prior loan is repaid in full at the time of the refinancing; provided, however, that housing projects may be refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable not later than the date

on which the prior loan was due and payable, except in accordance with clause (4) or when necessary to effect extraordinary repairs or maintenance to be approved by the department. in lines 63 to 71, inclusive.

SECTION 8. Section 3 of chapter 121F of the General Laws, as so appearing , is hereby amended by inserting after the word "preservation", in line 37, the following words : - , new construction.

SECTION 9. Said section 3 of said chapter 121F, as so appearing, is hereby amended by inserting after the figure "(6)", in line 87, the following words: - notwithstanding the restrictions in this chapter,.

SECTION 10. Subsection (b) of said section 3 of said chapter 121F, as so appearing, is hereby further amended by striking out clause (7) and inserting in place thereof the following clause:- (7) notwithstanding the restrictions in this chapter, to write down interest rates and related costs for a program for low- and moderate-income first-time homebuyers administered by the Massachusetts Housing Partnership Fund Board.

SECTION 11. Item 7004-0029 of section 2 of chapter 119 of the acts of 2008 is hereby amended by striking out the words "the mentally ill and mentally retarded" and inserting in place thereof the following words:- individuals with mental illness and individuals with intellectual disabilities.

SECTION 12. Said item 7004-0029 of said section 2 of said chapter 119 is hereby further amended by striking out the words "mental retardation", wherever they occur, and inserting in place thereof in each instance the following words:- developmental services.

SECTION 13. Said item 7004-0029 of said section 2 of said chapter 119 is hereby further amended by striking out the words "unless, at the end of any fiscal year, cash collections from all sources in connection with a community-based housing project, except for contributions, donations or grant moneys,

exceed 105 per cent of cash expenditures on behalf of the project, including debt service, operating expenses and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of the fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to the loan".

SECTION 14. Said item 7004-0029 of said section 2 of said chapter 119 is hereby further amended by striking out the words "provided further, that expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence prior to the effective date of this act; provided further, that community-based housing projects developed pursuant to this item shall not be refinanced during the term of any loan issued pursuant to this item unless the balance of the principal and interest for such loan has been repaid in full at the time of such refinancing; provided further, that the community-based housing projects may be refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable on a date not later than the date on which the original loan was due and payable, except in accordance with clause (4) when necessary to effect extraordinary repairs or maintenance which shall be approved by the commissioner of mental retardation or the commissioner of mental health, as the case may be, and the department;".

SECTION 15. Item 7004-0030 of said section 2 of said chapter 119 is hereby amended by striking out the words "the department, the department of mental health, and the department of mental retardation" and inserting in place thereof the following words:-

executive office of health and human services and the Massachusetts rehabilitation commission.

SECTION 16. Said item 7004-0030 of said section 2 of said chapter 119 is hereby further amended by striking out the words "unless, at the end of any fiscal year, cash collections from all sources in

connection with a community-based housing project, except for contributions, donations or grant moneys, exceed 105 per cent of cash expenditures on behalf of the project, including debt service, operating expenses, and capital reserves, in which event such excess cash shall be paid to the commonwealth within 45 days of the end of the fiscal year, payable first to interest due hereunder and thereafter to principal advanced pursuant to the loan".

SECTION 17. Said item 7004-0030 of said section 2 of said chapter 119 is hereby further amended by striking out the words "provided further, that expenditures from this item shall not be made for the purpose of refinancing outstanding mortgage loans for community-based housing in existence before the effective date of this act; provided further, that community-based housing projects developed pursuant to this item shall not be refinanced during the term of any loan issued pursuant to this item unless the balance of the principal and interest for such loan is repaid in full at the time of such refinancing; provided further, that the community-based housing projects may be refinanced if the refinancing would result in a reduction of costs paid by the commonwealth; provided further, that a refinanced loan shall be due and payable not later than the date on which the original loan was due and payable, except in accordance with clause (4) of this item or when necessary to effect extraordinary repairs or maintenance which shall be approved by the commissioner of the Massachusetts rehabilitation commission or other agency of the executive office of health and human services, as appropriate, and the department;" .

SECTION 18. Item 7004-0033 of said section 2 of said chapter 119 is hereby amended by striking out the words "in consultation with housing authorities, may establish" and inserting in place thereof the following words:- shall continue to fund.

SECTION 19. Said item 7004-0033 of said section 2 of said chapter 119 is hereby further amended by striking out the words "provided further, that not less than 25 per cent shall be used to fund projects which preserve or produce housing for families and individuals with incomes of not more than 30 per cent

of the area median income, as defined by the United States Department of Housing and Urban Development; and provided further, that a capital reserve account shall be administered by the department" and inserting in place thereof the following words:- and provided further, that not less than 25 per cent shall be used to fund projects which preserve or produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development.

SECTION 20. Item 7004-0034 of said section 2 of said chapter 119 is hereby amended by striking out the words "provided further, that grants shall be awarded on a competitive basis;".

SECTION 21. Said chapter 119 is amended by striking out section 11 and inserting in place thereof the following section:-

Section 11. Notwithstanding any general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing units assisted under items 7004-0029 and 7004-0030 of section 2, the department of housing and community development or its assignee, who is a qualified developer selected pursuant to the terms of said items 7004-0029 and 7004-0030 of said section 2 under the guidelines of the department, shall have an option to purchase any such housing units at their current appraised value reduced by any remaining obligation of the owner upon the expiration of the affordability restrictions. The department or its assignee may purchase or acquire such housing units only for the purposes of preserving or providing affordable housing. The department or its assignee shall hold such purchase option for the first 120 days after the expiration of the affordability restrictions. Failure to exercise the purchase option within 120 days after the expiration of the affordability restriction shall constitute a waiver of the purchase option by the department or its assignee. Two impartial appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the current appraised value in accordance with recognized professional standards. Two professionals in the field of multi-unit

residential housing shall each select an appraiser. The owner and the department, respectively, shall each designate a professional within 30 days after the expiration of these affordability restrictions. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the units. No sale, transfer or other disposition of the property shall be consummated until either the purchase option period shall have expired or the owner shall have been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to said items 7004-0029 and 7004-0030 of section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. Before any sale or transfer or other disposition of the housing where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to this section, a first refusal option to meet a bona fide offer to purchase the units.. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120-day period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or other disposition of the property shall be consummated until either this first refusal option period shall have expired or the owner shall have been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the

affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected pursuant to said items 7004-0029 and 7004-0030 of section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice the affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option shall not be exercised shall contain the name of the record owner of the property and a reasonable description of the premises to be sold or converted of and each affidavit signed before a notary public, shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties, in the care of the keeper of records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the units. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its options.

SECTION 22. Notwithstanding any general or special law to the contrary, the secretary of housing and economic development and the secretary for administration and finance shall jointly submit a report on the progress of all projects and expenditures related to the funds available in this act or any outstanding authorizations from prior authorization acts for capital projects related to housing, and undertaken by the executive office of housing and economic development or any of its constituent agencies to the house and

senate committees on ways and means, the joint committee on bonding, capital expenditures and state assets and the joint committee on housing. This report shall include, but not be limited to: the address, the nature of the work and scope of work of each project funded in this act, the total amount allocated for each project broken down by fiscal year in which the allocation occurred, the total estimated cost of each project, the amount expended for the planning and design of each project up to the time the report is filed, the amount expended on construction of each project up to the time the report is filed, the total amount currently expended on each project, a schedule of life cycle standards for each completed project, the original estimated completion date of each project, the current anticipated completion date of each project and, if the project has been de-authorized, the reason for and date of de-authorization. The information required in this report shall be current as of 30 days before the submission of the report and the report shall be submitted bi-annually for 6 years after the effective date of this act.

SECTION 23. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon receipt of a request by the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $567,000,000. All bonds issued by the commonwealth under this section shall be designated on their face, Housing Production, Preservation, Modification and Neighborhood Development Loan Act of 2013, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2048. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Bonds and interest thereon issued under the authority of this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by the department of housing and community development for administrative costs directly attributable to the purposes of this act, including costs of clerical and support personnel. The director of the department of housing and community

development shall file an annual spending plan with the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on bonding, capital expenditures and states assets and the joint committee on housing which details, by subsidiary, all personnel costs and any administrative costs charged to expenditures made pursuant to this act.

SECTION 24. Notwithstanding any general or special law to the contrary, within 120 days after the expiration of affordability restrictions on housing units assisted under items 7004-0039 and 7004-0040 of section 2, the department of housing and community development or its assignee, who is a qualified developer selected pursuant to the terms of said items 7004-0039 and 7004-0040 of said section 2 under the guidelines of the department, shall have an option to purchase any such housing units at their current appraised value reduced by any remaining obligation of the owner upon the expiration of the affordability restrictions. The department or its assignee may purchase or acquire such housing units only for the purposes of preserving or providing affordable housing. The department or its assignee shall hold such purchase option for the first 120 days after the expiration of the affordability restrictions. Failure to exercise the purchase option within 120 days after the expiration of the affordability restriction shall constitute a waiver of the purchase option by the department or its assignee. Two impartial appraisers shall determine, within 60 days after the expiration of the affordability restrictions, the current appraised value in accordance with recognized professional standards. Two professionals in the field of multi-unit residential housing shall each select an appraiser. The owner and the department, respectively, shall each designate a professional within 30 days after the expiration of these affordability restrictions. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the units. No sale, transfer or other disposition of the property shall be consummated until either the purchase option period shall have expired or the owner shall have been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at address specified in the notice of intention and recorded

with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to said items 7004-0039 and 7004-0040 of section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. Before any sale or transfer or other disposition of the housing where the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to this section, a first refusal option to meet a bona fide offer to purchase the units. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner's intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner's written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120-day period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or other disposition of the property shall be consummated until either this first refusal option period shall have expired or the owner shall have been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected pursuant to said items 7004-0039 and 7004-0040 of section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment. An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice the affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal

option shall not be exercised shall contain the name of the record owner of the property and a reasonable description of the premises to be sold or converted of and each affidavit signed before a notary public, shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties, in the care of the keeper of records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120-day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the units. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its options.

SECTION 25. Notwithstanding any general or special law to the contrary, not later than July 1, 2013, and annually thereafter, the director of housing and community development shall submit to the secretary of administration and finance, the house and senate committees on ways and means, the joint committee on housing and the joint committee on bonding, capital expenditures and state assets a capital plan for fiscal years 2014 to 2018, inclusive, for capital funds authorized in section 2.

SECTION 26. Notwithstanding any general or special law to the contrary, a private entity engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or redevelopment project receiving funds pursuant to this act shall properly classify individuals employed on the project and shall comply with all laws concerning workers' compensation insurance coverage, unemployment insurance, social security taxes and income taxes with respect to all such employees. All construction contractors engaged by an entity on any such project shall furnish documentation to the appointing authority showing that all employees employed on the project have hospitalization and medical benefits

that meet the minimum requirements of the connector board established in chapter 176Q of the General Laws.

SECTION 27. To provide for the continued availability of certain bond-funded spending authorizations which otherwise would expire, the balances of the following appropriation items and any allocations thereof are hereby extended through June 30, 2017, for the purposes of and subject to the conditions stated for these items in the original authorizations and any amendments to such authorizations: 3722-7870, 7004-0028, 7004-0029, 7004-0030, 7004-0031, 7004-0032, 7004-0033, 7004-0034 , 7004-0036, 7004-0037, 7004-0038, 7004-9118